

FISCAL NOTE

SB 1787 - HB 1721

March 24, 2003

SUMMARY OF BILL: Permits county or municipal governments who choose, by a majority vote of the municipal or county government legislative body, to pay the professional privilege tax on behalf of professionals subject to the tax and employed by that entity.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - Exceeds \$100,000 / Permissive

Estimate assumes:

- The professional privilege tax is \$400.
- There are 3,040 local government employees subject to the tax.
- Not all local governments will choose to pay the tax for their employees.

For informational purposes, because the language of the legislation allows local governments to choose to incur the tax debt of their employees, the exact amount of an increase in local government expenditures will depend upon the number of local governments opting to pay the tax for their employees. Should all of the local governments choose to do so, the maximum impact for FY04 would be \$1,216,000. This is based upon a \$400 tax and a total of 3,040 employees.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director